

# DE News

**December 14, 2001 – Iowa Department of Education – Ted Stilwill, Director**

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## **Budget outlook is cautious**

The recent report from the Revenue Estimating conference shows that although revenue growth continues to slow, no additional fiscal '02 cuts will be needed. However, the fiscal '03 budget (which begins next July 1) is expected to see significant reductions in order to offset declining state revenues.

Overall, the updated fiscal '02 estimate lowered the October revenue estimate by \$21.7 million, leaving an ending balance of \$6.2 million. The updated fiscal '03 estimate of 1.9% was increased to 2.1%. At this point, the state is expecting only about \$7 million in new money for fiscal '03, which signals a very serious appropriations challenge ahead.

The value of the REC is that it makes these projections so we can plan ahead and be proactive in our management of the budget limitations. Community colleges already have been heavily impacted and are managing with fewer resources this year. K-12 schools no doubt will be most affected by school foundation aid, which may grow, but most likely from the currently reduced level received after the 4.3% across-the-board cuts that went into affect November 1.

All schools and colleges should continue working with their boards and community leaders and supporters to help all parties affected by the anticipated cuts to better understand and make necessary adjustments.

## **ESEA summary**

The conference committee studying the federal ESEA (Elementary and Secondary Education Act) Reauthorization has issued its report, which is expected to be voted on by Congress early next week. The full impact on Iowa will be difficult to determine without knowing more about the position and intent of the U.S. Department of Education's regulation around the implementation of this policy.

Preliminary highlights include:

### **Assessment**

- The new bill requires testing in grades 3 - 8 in reading and math. Most Iowa districts will already meet this requirement. (Iowa law currently requires testing in grades 4, 8, and 11 in reading, math and science but because of the attractive price offered by the Iowa Testing Programs, most districts test more frequently.)
- Iowa school districts should be able to use the Iowa Test of Basic Skills to satisfy this new testing requirement. Iowa will not have to develop a new state test.
- Iowa will not have to develop state standards. District-developed achievement standards are preserved. The bill offers flexibility specifically for Iowa's status as the only state in the nation not to have state standards.

- Federal money will not be withheld from high performing states like Iowa. Technical assistance from the U.S. Department of Education is provided to states that do not meet adequate yearly progress.

#### **Federal class size funding**

- It appears that federal class size dollars are included under a new teacher quality block grant that maximizes local district decision-making in the use of these dollars.

#### **IDEA - Special Education funding**

- Congress did not support Senator Harkin's effort to secure full funding for special education. The bill postpones the conversation of federal funding until next fiscal year. Senator Harkin's amendment would have brought \$1.2 billion in federal special education money into Iowa.

#### **Federal funding to Iowa**

- The financial impact for Iowa is unclear. The funding formulas for various programs within this reauthorization bill focus on census and poverty levels, which may not favor states like Iowa.
- Title I reading program funding is still undecided. Iowa has been on a hold-harmless funding provision for the past four years.
- The companion Labor, Health and Human Services appropriation bill will be settled in quick succession to this reauthorization bill.

#### **25 districts get infrastructure funding from state**

Governor Tom Vilsack and Lt. Governor Sally Pederson this week announced 25 Iowa school districts received nearly \$21 million in Vision Iowa Infrastructure Grants. The competitive grants are available to public schools as part of the state's \$300 million Vision Iowa grant program. The funds, which must receive a local match, must be used for infrastructure projects such as purchasing, building, furnishing, repairing or remodeling school buildings.

These grants represent the second portion of a 3-part, \$50 million state commitment to school infrastructure. About nine million dollars was distributed in fiscal year 2001; nearly \$21 million will be distributed in this fiscal year; and \$20 million for fiscal year '03. (Grant disbursements originally were planned in \$10 million, \$20 million and \$20 million increments; however, \$911,470 of this year's distribution was leftover from last year.)

The 25 schools districts receiving the grants are: Algona, Carlise, Cedar Rapids, Center Point-Urbana, Centerville, Chariton, Clear Creek-Amana, Denver, Dubuque, East Buchanan, Glidden-Ralston, Grinnell-Newburg, Lamoni, Lone Tree, Maple Valley, Marshalltown, Muscatine, North Cedar, North Kossuth, Oskaloosa, Pleasantville, Solon, Van Buren, Van Meter, and Woodbine.

*DE News* provides timely information about legislative and policy issues, grants and funding, trends in education, and other items of immediate interest to Iowa educators and policymakers. Contact Kathi Slaughter, 515/281-5651; fax 515/281-4122; email [kathi.slaughter@ed.state.ia.us](mailto:kathi.slaughter@ed.state.ia.us).